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VIA REGULAR MAIL

The Honorable Denise L. Cote, U.S.D.J.
United States District Court
Southern District of New York
500 Pearl Street – Room 1040
New York, New York 10007

*Re: Comair, Inc. v. Advanced Optimization Systems, Inc.
Case No. 08-CV-01630*

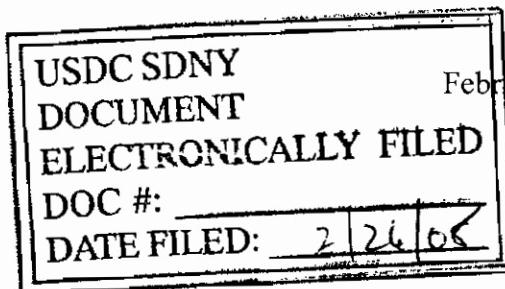
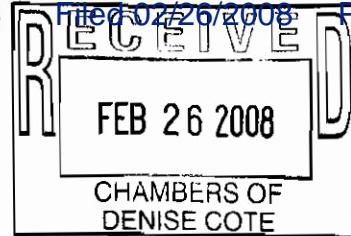
Dear Judge Cote:

We represent the Plaintiff Comair, Inc. (“Comair”) and write on behalf of both parties in accordance with the Court’s February 19, 2008 directive that the parties submit written confirmation of their agreement reached to date.

As the Court is aware, on Tuesday Comair filed a Complaint and a Motion for a Temporary Restraining Order and Preliminary Injunction. As a result of subsequent conversations first with Defendant, Advanced Optimization Systems, Inc. (“AOS”) and then with Defendant’s counsel, Keane & Marlowe, LLP (Mary Ann C. Marlowe, Esq.), the parties arrived at the below agreement and jointly requested and were granted a cancellation of the hearing scheduled for 4:00 p.m. that day.

AOS has offered and Comair has agreed to an in perpetuity extension of the February 29, 2008 expiration date of the four electronic keys at issue for the current version of the subject software once Comair has complied with certain conditions upon which the parties’ agreement is contingent. More specifically, to insulate itself against any potential problems which may arise, inter alia, from Comair’s relocation of the software, AOS will re-key the four computers on which the current version of the software is presently installed so as to permit its continued performance in perpetuity once Comair has provided certain adequate assurances. The written assurances which are currently being drafted in essence will provide that AOS will not be held liable by Comair for any potential problems with the software which may arise in the future, that Comair will hold AOS harmless if any such situations arise with third parties, and that AOS has no further obligation to provide assistance with any such problems which may arise in the future. Moreover, it has been agreed that Comair will continue to abide by all of its obligations under the Purchase and License Agreement. In short, AOS will provide permanent, perpetual access to the current version of the software and will be free of any responsibility for any and all future potential malfunctions given Comair’s decision not to renew its maintenance agreement with AOS.

The parties expect that once the above agreement has been finalized, Comair will then be in a position to file a notice of dismissal pursuant to Fed. R. Civ. P. 41(a)(1). In the interim, Comair has stipulated to a 60 day extension of AOS’s time within which to answer the Complaint.



February 22, 2008

MEMO ENDORSED

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On behalf of both parties, we wish to thank the Court both for its prompt attention to this matter and for giving the parties an opportunity to amicably resolve the outstanding issues prior to any continuation of this litigation.

Very truly yours,

Graydon Head & Ritchey, LLP

J. Stephen Smith

JSS:clc

cc: Keane & Marlowe, LLP (via facsimile)
Attn: Mary Ann C. Marlowe, Esq.

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Time to answer is
extended to April
11, 2008. Plaintiff's
stay letter is due
April 18, 2008.

Judge Cote
February 26, 2008